

like rates and water rate, property tax and fire insurance have been paid in advance, i.e. to a date later than the completion, the vendor will be entitled to add to the purchase money the part of such outgoings applicable to the period following the completion (i.e. which the purchaser will get the benefit of). And where items like ground rent have been paid to a date before the completion and the purchaser will some day be asked to pay for these things—including the period in which the vendor has had the use or benefit of the property—the vendor should allow the proportion of these outgoings off the purchase money.

Take for example rates. General rates are usually payable quarterly or half-yearly at the commencement of the quarter or half-year. If the vendor has paid the rates in April and the purchaser takes over the house on 15th May, he ought to refund to the vendor the proportion of rates from the 15th May to the end of June (if quarterly rates) or end of September (if half-yearly rates). This is dealt with on the Statement of Figures by adding it to the balance of purchase money payable.

Take as another example, fire insurance. This is payable in advance to cover the next twelve months. If the purchaser buys at any

time before
the insurance runs out he ought to
pay for that
part of the insurance for which he gets
the benefit
of the cover. The proportion payable by
him is,
therefore, added to the purchase
money he has to
pay. With regard to fire insurance, the
proportion
payable by the purchaser is from the
date of the
contract and not from the date of
completion. As
from the date of the contract the
insurance is for
the purchaser's benefit.